

FIS

Coking Coal Technical Report

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Coking Coal June 25 (Rolling Front Month)



Support		Resistance		last Price	Bull	Bear
S1	179.5	R1	193	190	RSI above 50	Stochastic overbought
S2	175	R2	195			
S3	170	R3	298			

Synopsis - Intraday

Source Bloomberg

- Price is above the 34 - 55 period EMA's
- RSI is above 50 (58)
- Stochastic is overbought
- Technically bearish on the last report, we noted previously that due to price and the RSI making new lows, upside moves had the potential be countertrend. The futures were in divergence with the RSI, not a sell signal, it warned that we could see a momentum slowdown. However, countering this, price was finding support on the 8-21 period EMA's. Technically we were cautious on moves higher due to the divergence, but needed to see the futures close below USD 179.5 to signal price action is weakening.
- The futures have rolled into June with price seeing a small move higher, resulting in the divergence failing. We remain above the EMA support band with the RSI above 50.
- Upside moves that fail at or below USD 193 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- The futures remain technically bearish with price holding above the 34-55 period EMA's, whilst the MA on the RSI implies that momentum is supported. Previously we noted that upside moves looked like they could be countertrend; however, the divergence failure is warning that the USD 193 resistance is starting to look vulnerable. This is a key level going forward; if broken, the probability of price trading to a new low will start to decrease. As noted on the last report, the futures will need to see a close below the USD 179.5 level to signal price action is weakening.

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